

Physician Dispensing - CorVel Corporation

CorVel is a national provider of leading workers' compensation solutions to employers, third party administrators, insurance companies and government agencies. CorVel offers a full spectrum of prospective PBM management, risk identification and mitigation. At our core, we are uncompromising in our commitment to prospective PBM management of prescriptions.

Alternative drug dispensing channels, such as physician dispensing, means that payors have a significant gap in their ability to effectively manage utilization, drug costs and potential abuse. This is largely because these channels most often are not visible to PBM's, in which the industry has relied to manage pharmacy exposure.

CorVel maintains:

1. Effectively managing Workers' Compensation prescriptions starts with a strong clinically based formulary. The list of approved medications should be generic only and be limited to the most common, inexpensive WC medications.
2. Medications should be prospectively managed, including rigorous, comprehensive Point of Sale (POS), DUR edits and clinical review.
3. Prescriptions filled at a retail pharmacy are screened for DUR safety at the pharmacy level and then PBM. This screening identifies potential issues with safe dispensing including drug interactions and duplicate therapies.
4. Non formulary medications (including ODG N drugs) are stopped at the POS and require adjuster approval. With CorVel, that includes a call to our Nationally Certified Pharmacy Technicians before the medication is dispensed. CorVel verifies relatedness and checks the drug fill history (all channels), diagnosis and claim notes.
5. CorVel has immediate access to all medications prospectively managed through the PBM as well as unmanaged through third party billers and physician dispensing sources.

The workflow outlined cannot be supported with the physician dispensing model. Prospective, DUR edits are critical - even PDMP databases are limited to "scheduled" medications and miss potential life threatening drug interactions.

Though patients may accrue some benefits from the logistical conveniences of receiving medications during an office visit or delivered to their homes, they can lose the advantage of having the dispensing of their medications overseen by their workers' compensation program that has comprehensive data and an incentive to achieve the best possible outcome.

Financial Impact: In 2010, NCCI identified a sudden and significant growth in the share of workers' compensation drugs dispensed by physicians, who are prescribing more drugs as well as more expensive drugs. This study confirms increased physician dispensing directly to patients and correlates increased physician dispensing with increased drug costs per claim.

In NY, where claimants are directed to PBM pharmacies and physician dispensing is allowed only on first fill, the Pharmacy to Medical Spend went from 14.3% in 2015 to 7.7% in 2017.

CorVel PPO Network:

Our PPO agreement requires prescribers to adhere to Utilization Guidelines. Included are guidelines concerning physician dispensing. The physician should direct all patients with prescriptions to fill medications through patient's own local retail pharmacy unless the prescriber or pharmacy has an integrated pharmacy dataset and drug utilization review program prior to dispensing, or a local retail pharmacy is not available.